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ZNR UUUUU ZZH
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FM AMEMBASSY LISBON
TO RUEHC/SECSTATE WASHDC 7958
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RHEFDIA/DIA WASHDC
RUEAIIA/CIA WASHDC

UNCLAS LISBON 000567

SIPDIS

E.O. 12958: N/A

TAGS: PGOV PREL SOCI PO

SUBJECT: PORTUGUESE PRIME MINISTER PRESENTS GOVERNMENT PROGRAM

REF: A. LISBON 516

1B. LISBON 529

11. Portuguese Prime Minister Jose Socrates presented the Socialist government program to Parliament on November 2. This is the policy agenda that will guide his government for the next four years. As noted in ref A, on September 27 Socrates and the Socialists were elected to a second four-year term, but will now operate as a minority government.

12. The program highlights public investment to combat the economic crisis, job creation, modernization of the economy, and social policies. Among its priorities, the Socialist Party seeks to legalize same-sex marriage, strengthen measures to combat corruption, promote regionalization (i.e., redrawing Portugal's internal maps), and construct the Lisbon-Madrid high-speed rail link and a new airport in Lisbon. Socrates reiterated his campaign promise to support 30,000 small and medium-sized companies per year and to reduce taxes for the middle class.

13. Debate on the evaluation system for public school teachers (ref B), a contentious issue during the last government, will be among the first challenges to test the minority government's negotiation skills and new Education Minister Isabel Alcada. The opposition has already indicated its intent to suspend the evaluation system that was approved by the last government.

14. Minister for Parliamentary Affairs Jorge Lacão stressed that the 129-page government program will be the basis for future negotiations with the opposition. Opposition leaders criticized the program as a mere clone of the Socialist Party's campaign platform. They complained that the Socialists failed to recognize that they no longer have an absolute majority in Parliament and must accommodate the views of other parties.

15. Comment: Parliament has five days to debate the government program, during which time any parliamentary group may propose its rejection by an absolute majority floor vote.

In the absence of a rejection motion, the program will be approved. Given the number of votes necessary to reject the program and the reluctance of opposition groups to be viewed as obstacles, the program is likely to pass. However, the Socialist minority government will face numerous challenges in advancing its agenda, particularly on divisive issues, such as same-sex marriage and the teacher evaluation system. The next hurdle will be approval of the 2010 budget, probably in January 2010, which will require Socrates to obtain some support from the opposition.

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